GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5629
ANSWERED ON:07.04.2017
WPI and CPI Based Inflation
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Will the Minister of FINANCE be pleased to state:

(a) whether the Wholesale Price Index (WPI) based inflation and Consumer Price Index (CPI) based inflation in January 2017 recordedly jumped to 39 month high;

(b) if so, the details thereof and the reasons for such rise in WPI and CPI in January 2017;

(c) whether the Government's efforts to bring down the prices of essential commodities could not show any positive results; and

(d) if so, the details thereof and the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) & (b) Wholesale Price Index (WPI) inflation stood at 5.2 per cent in January 2017, which was the highest in the last 29 months. Consumer Price Index (combined) declined to 3.2 per cent in January 2017 from 3.4 per cent in December 2016. The rise in WPI inflation during January 2017 was mainly due to rise in inflation of Fuel and Power.

(c) & (d) The Government has been successful in bringing down the prices of essential commodities through astute food supply management. The Government has taken a number of measures to control inflation. The steps taken, inter alia, include (i) increased budgetary allocation for Price Stabilization Fund in the budget 2017-18 to check volatility of prices of essential commodities, in particular, of pulses; (ii) created buffer stock of pulses through domestic procurement and imports; (iii) announced higher Minimum Support Prices so as to incentivize production; (iv) issued advisory to States/UTs to take strict action against hoarding and black marketing under the Essential Commodities Act 1955 and the Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980; (v) imposed 20 per cent duty on export of sugar; and (vi) reduced import duty on potatoes, wheat and palm oil.
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